

COCA COLA CO
Form 11-K
June 30, 2014
[Table of Contents](#)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 11-K

**x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

OR

**o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-02217

THE COCA-COLA COMPANY 401(k) PLAN

Edgar Filing: COCA COLA CO - Form 11-K

(Full title of the plan)

(Name of issuer of the securities held pursuant to the plan)

**One Coca-Cola Plaza
Atlanta, Georgia 30313**

(Address of the plan and address of issuer's principal executive offices)

Table of Contents

THE COCA-COLA COMPANY

401(k) PLAN

Financial Statements and Supplemental Schedule

As of December 31, 2013 and 2012

and for the Year Ended December 31, 2013

with Report of Independent Registered Public Accounting Firm

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

Financial Statements and Supplemental Schedule

As of December 31, 2013 and 2012

and for the Year Ended December 31, 2013

Table of Contents

	Page
<u>Report of Independent Registered Public Accounting Firm</u>	1
<u>Statements of Net Assets Available for Benefits</u>	2
<u>Statement of Changes in Net Assets Available for Benefits</u>	3
<u>Notes to Financial Statements</u>	4
<u>Supplemental Schedule</u>	
<u>Schedule H, line 4i Schedule of Assets (Held at End of Year)</u>	19

Table of Contents

To The Coca-Cola Company

Benefits Committee

The Coca-Cola Company

Atlanta, Georgia

Report of Independent Registered Public Accounting Firm

We have audited the accompanying statements of net assets available for benefits of The Coca-Cola Company 401(k) Plan (the Plan) as of December 31, 2013 and 2012 and the related statement of changes in net assets available for benefits for the year ended December 31, 2013. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2013 and 2012 and the changes in net assets available for benefits for the year ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ BANKS, FINLEY, WHITE & CO.

College Park, Georgia
June 30, 2014

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

Statements of Net Assets Available for Benefits

December 31, 2013 and 2012

	2013	2012
ASSETS		
Investments in Master Trust, at fair value (Note 3)	\$ 4,426,800,253	\$ 3,777,848,293
Receivables:		
Notes receivable from Participants	149,538,371	132,799,802
Participant contributions	26,763	
Employer contributions	79,239	870,428
Other (Note 1)	16,018,128	
Total receivables	165,662,501	133,670,230
Net assets reflecting all investments at fair value	4,592,462,754	3,911,518,523
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(5,377,687)	(13,227,767)
Net assets available for benefits	\$ 4,587,085,067	\$ 3,898,290,756

Refer to Notes to Financial Statements.

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2013

Additions to net assets attributed to:	
Investment income from The Coca-Cola Company Master Trust for 401(k) Plans	\$ 700,167,097
Interest income from notes receivable from Participants	4,835,560
Participant contributions	202,930,247
Participant rollover contributions	11,015,632
Employer contributions	90,267,508
Total additions	1,009,216,044
Deductions from net assets attributed to:	
Distributions to Participants	(365,377,063)
Administrative expenses	(2,041,570)
Total deductions	(367,418,633)
Net increase in net assets before transfers	641,797,411
Transfers from other plan (Note 1)	16,018,128
Transfers from merged plan (Note 1)	30,978,772
Net increase in net assets available for benefits	688,794,311
Net assets available for benefits:	
Beginning of year	3,898,290,756
End of year	\$ 4,587,085,067

Refer to Notes to Financial Statements.

Table of Contents**THE COCA-COLA COMPANY 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS****December 31, 2013 and 2012****Note 1 Description of Plan**

The following description of The Coca-Cola Company 401(k) Plan (the *Plan*) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan was originally adopted effective July 1, 1960 and was amended and restated effective January 1, 2012. The Plan is a defined contribution pension plan covering employees of The Coca-Cola Company and its participating subsidiaries (the *Company*), with the exception of employees represented by bargaining units which have not negotiated coverage and others listed in the Plan document. Eligible employees may begin participating in the Plan upon hire with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (*ERISA*).

Transfers from Merged Plan

The Plan received the following amounts as a result of the merger of the Great Plains Coca-Cola Bottling Company Savings on Deferred Accounts and Participation on Profits Plan (*Great Plains Plan*) into the Plan. The participants of the Great Plains Plan began participating in the Plan on January 1, 2013.

	Investments and Cash	Participant Loans	Total Assets
Great Plains Coca-Cola Bottling Company Savings on Deferred Accounts and Participation on Profits Plan	\$ 29,036,392	\$ 1,942,380	\$ 30,978,772

Transfers from Other Plan

The Plan was amended effective midnight on December 31, 2013 to merge certain assets spun off from the Coca-Cola Bottlers' Association 401(k) Retirement Savings Plan attributable to non-bargaining employees of Southwest Cannery of Texas, Inc. (*SWC of Texas*), Golden Gate

Edgar Filing: COCA COLA CO - Form 11-K

Beverage Company, Inc. (GGBC) and Sacramento Coca-Cola Bottling Company (SAC Coke) whose employment is not subject to a collective bargaining agreement between SAC Coke and CBEU Local #150 into the Plan, and provide for participation in the Plan. As a result of this amendment, the Plan has increased the net assets available for benefits as of December 31, 2013 by \$16,018,128 and recorded the same amount as other receivables in the statement of net assets available for benefits. The transfer of these assets was received on January 2, 2014.

Administration

The Plan is administered by The Coca-Cola Company Benefits Committee (the Committee) which, as Plan Administrator, has substantial control of and discretion over the administration of the Plan. Mercer Trust Company (the Trustee) provides trust and recordkeeping services for the Plan.

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 Description of Plan (Continued)

Contributions

The election to contribute to the Plan by employees (Participants) is voluntary. Participant contributions are in the form of payroll deductions with the Company making a matching contribution during 2013 equal to 100% of the first 1% of compensation and 50% of the next 5% of compensation, subject to certain limitations imposed by the Internal Revenue Code (the Code). All Company contributions are initially invested in common stock of The Coca-Cola Company. Participants may redirect all or any of these Company contributions into other investment options in the Plan.

Effective January 1, 2012, Participants were able to contribute to the Plan with pre-tax dollars only. Pre-tax contributions are not subject to current federal income taxes but are subject to Federal Insurance Contributions Act (FICA) taxes. Pre-tax contributions are limited in total to 50% of compensation, subject to certain limitations. For 2013, the maximum pre-tax annual contribution amount under the Code was \$17,500. The Plan has an automatic contribution election of 3% of eligible compensation unless the Participant elects otherwise. Participants were able to make after-tax contributions to the Plan prior to January 1, 2012. No additional after-tax contributions were permitted after this date.

Participants who are age 50 or older by the end of the year may make additional catch-up contributions with pre-tax dollars provided certain Plan or Internal Revenue Service limits have been met. For 2013, the maximum catch-up contribution amount was \$5,500.

All contributions are paid to the Trustee and are invested as directed by Participants and the Company. Participants may direct their contributions into investment options offered by the Plan. These investment options include master trust investment funds, a stable value fund, common stock of The Coca-Cola Company, collective trust funds and mutual funds with various investment objectives and strategies. Participants are eligible to roll over account balances from a previous employer's tax-qualified retirement plan or Individual Retirement Accounts into the Plan.

Vesting

Participants are immediately vested in their salary deferral contributions and related earnings, while Company contributions and related earnings are vested after two years of service.

Forfeited Accounts

Forfeited amounts are generally used to reduce employer contributions or pay administrative expenses of the Plan. The forfeited account balances were approximately \$395,000 and \$650,000 as of December 31, 2013 and 2012, respectively. The Plan used approximately \$2,440,000 of forfeitures to reduce employer contributions and approximately \$419,000 to pay administrative expenses during 2013.

Valuation of Participant Accounts

Participant account balances are valued based upon the number of shares of each investment credited to Participant accounts. Shares are revalued on a daily basis to reflect earnings and other transactions. Shares of common stock of The Coca-Cola Company are revalued on a daily basis to reflect changes in fair value. Participant accounts are updated on a daily basis to reflect transactions affecting account balances.

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 Description of Plan (Continued)

Notes Receivable from Participants

Participants may borrow from their account balances subject to certain limitations. Participant loans may be funded from a combination of all vested account balances. The following applies to Participant loans:

(a) The maximum amount that a Participant may borrow is the lesser of 50% of their account balance or \$50,000. The \$50,000 maximum is reduced by the Participant's highest outstanding loan balance on any loans during the preceding 12 months. No more than two loans are allowed from the Plan at a time.

(b) The minimum loan amount is \$1,000.

(c) The loan interest rate is the prime rate as published in *The Wall Street Journal* on the 1st business day of the month the loan is requested.

(d) The loan repayment period is limited to five years for a general purpose loan and 15 years for a loan used to purchase or build a principal residence.

Employee Stock Ownership Plan

The portion of the Plan invested in common stock of The Coca-Cola Company is designated as an employee stock ownership plan (ESOP) within the meaning of Code Section 4975(e)(7). Participants invested in common stock of The Coca-Cola Company may elect to receive their entire dividend amount as a cash payment made directly to them rather than have the dividend amount reinvested in their Plan account. The total amount of dividends paid directly to Participants was \$2,349,161 during 2013.

Payment of Benefits

Upon retirement, termination or disability, Participants may elect to receive payment from the Plan in a lump-sum distribution, installments or in partial payments (a portion paid in a lump sum, and the remainder paid later). Participants may elect in-service distributions from after-tax and rollover account balances, or after attaining age 59½ from all vested account balances. Participants may elect to receive payment of the portion of their accounts invested in common stock of The Coca-Cola Company in shares rather than cash (in-kind distributions). Participants may also request an in-service distribution for the purpose of a financial hardship from certain vested account balances.

Plan Termination

The Company, by action of the Committee, reserves the right to, at any time and for any reason, terminate the Plan or completely discontinue contributions to the Plan. The Plan shall be terminated or contributions shall be discontinued by a written instrument approved by the Committee by resolution.

In the event of the Plan's termination, if no successor plan is established or maintained, lump-sum distributions shall be made in accordance with the terms of the Plan as in effect at the time of the Plan's termination or as thereafter amended. To the extent any assets of the Trust represent amounts allocated to

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 1 Description of Plan (Continued)

a Code Section 415 suspense account, such amounts may revert to the Company. The Plan Administrator's authority shall continue beyond the Plan's termination date until all Trust assets have been liquidated and distributed.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are presented on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Plan management to make estimates that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Valuation of Investments

The Plan's investments are stated at fair value in accordance with Accounting Standards Codification Topic 820 - Fair Value Measurements and Disclosures (ASC 820). See Note 3 for fair value measurements.

Notes Receivable from Participants

Participant loans, which are classified as receivables, are stated at the unpaid principal balance plus any accrued but unpaid interest.

Investment Transactions and Income

Investment transactions are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest is recognized on an accrual basis. Brokerage commissions on purchases and sales of common stock are considered transaction costs and are recorded as an increase to the cost basis of shares purchased and/or reduction of proceeds on a sale of shares. The net appreciation or depreciation in fair value of investments consists of realized gains and losses and changes in unrealized gains or losses of these investments during the year. Realized gains and losses on investments are determined on the basis of average cost. Unrealized gains or losses on investments are based on changes in the market values or fair values of such investments.

Payment of Benefits

Distributions to Participants are recorded when payment is made. In-kind distributions are recorded based on the market value of the shares at the date of distribution.

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2 Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain amounts have been reclassified in the prior year financial statements to conform to the current year presentation.

Administrative expenses

Certain administrative expenses were paid by the Plan, as permitted by the Plan document. All other administrative expenses were paid by the Company.

Note 3 The Coca-Cola Company Master Trust for 401(k) Plans

The Plan participates in The Coca-Cola Company Master Trust for 401(k) Plans (the Master Trust) with similar retirement plans sponsored by the Company and certain other subsidiaries of the Company, whereby investments are held collectively for all plans by the Trustee. Each participating plan's investment in the Master Trust is equal to the sum of its participant account balances in relation to total Master Trust investments. The Plan's investments include retirement target date funds, equity and fixed income index funds, actively managed equity and fixed income funds, a stable value fund, and common stock of The Coca-Cola Company. The investment structures include mutual funds, collective trust funds, master trust investment funds, and direct ownership of common stock of The Coca-Cola Company.

The Plan's investments in the Master Trust were approximately \$4.4 billion and \$3.8 billion at December 31, 2013 and 2012, respectively. The Plan's interest in the net assets of the Master Trust was approximately 97.4% and 97.6% at December 31, 2013 and 2012, respectively. This was determined by comparing the Plan's investment in the Master Trust to total net assets in the Master Trust.

The following table summarizes the net assets of the Master Trust as of December 31, 2013 and 2012 (in thousands):

	2013	2012
Collective trust funds	\$ 1,976,925	\$ 1,615,433

Edgar Filing: COCA COLA CO - Form 11-K

Mutual funds	184,564	817,961
Master Trust Investment Funds	748,867	
Common stock	1,255,238	1,084,836
Stable Value Fund at fair value	378,714	352,467
Investments at fair value	4,544,308	3,870,697
Stable Value Fund book valuation adjustment	(5,660)	(13,973)
Master Trust net assets	\$ 4,538,648	\$ 3,856,724

Table of Contents**THE COCA-COLA COMPANY 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)**

The fair values of individual investments that represented 5% or more of the Master Trust's net assets as of December 31, 2013 and 2012 were as follows (in thousands):

	2013	2012
Common stock of The Coca-Cola Company	\$ 1,255,238	\$ 1,084,836
SSgA S&P 500 Index Fund		364,214
Northern Trust S&P 500 Index Fund	495,348	*
Stable Value Fund	378,714	352,467
U.S. Large Cap Active Equity Fund	315,528	*
U.S. Small-Mid Cap Active Equity Fund	256,450	*
JPMCB SmartRetirement 2020 Fund	267,184	220,408
JPMCB SmartRetirement 2025 Fund	300,047	233,181
JPMCB SmartRetirement 2030 Fund	290,642	216,278

* Fund was not available in 2012.

The net investment income of the Master Trust for the year ended December 31, 2013 was as follows (in thousands):

Investment income:	
Net appreciation in fair value of investments:	
Mutual funds	\$ 160,757
Master Trust Investment Funds	20,206
Common stock of The Coca-Cola Company	153,426
Collective trust funds	335,707
	670,096
Interest and dividends	47,722
Net investment income	\$ 717,818

Fair Value Measurements

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also established a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use

of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Table of Contents**THE COCA-COLA COMPANY 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)**

• Level 1 Quoted prices in active markets for identical assets or liabilities.

• Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

• Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Plan's valuation methods used to measure fair value of its investments may produce fair values that may not be indicative of a future sale, or reflective of future fair values. The use of different methods to determine the fair value of investments could result in different estimates of fair value at the reporting date.

The Master Trust assets, measured at fair value on a recurring basis (at least annually) as of December 31, 2013, were as follows (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. equity securities:			
Collective trust funds (A)	\$	\$ 495,348	\$ 495,348
Common stock (B)	1,255,238		1,255,238
Master Trust Investment Funds (C)		571,978	571,978
International equity securities:			
Collective trust funds (A)		14,825	14,825
Mutual funds (D)	184,564		184,564
Fixed income securities:			
Collective trust funds (A)		10,650	10,650
Master Trust Investment Funds (B)		176,889	176,889
Other:			

Edgar Filing: COCA COLA CO - Form 11-K

Stable Value Fund (E)			378,714		378,714
Balanced Real Assets Fund(F)			2,177		2,177
Target retirement date funds (G)			1,453,925		1,453,925
	\$	1,439,802	\$	3,104,506	\$ 4,544,308

(A) The underlying investments held in the collective trust funds are equity or debt securities held to replicate the performance of a specific equity or bond market index. The collective trust funds are valued at the net asset value per share as determined by the manager of the funds multiplied by the number of shares held as of the measurement date. These funds have no redemption restrictions.

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)

(B) Investments in common stock are in shares of The Coca-Cola Company and are valued using the quoted market price multiplied by the number of shares owned as of the measurement date.

(C) The Master Trust Investment Funds include U.S. Large Cap Active Equity, U.S. Small-Mid Cap Active Equity, and U.S. Core-Plus Active Fixed Income. The total value is calculated by multiplying the net asset value per share by the number of shares held as of the measurement date. The underlying investments include common stock, mutual funds, collective trust funds and a short-term investment account. These funds have no redemption restrictions. See *Master Trust Investment Funds* for additional information.

(D) Investments in mutual funds are valued at the publicly quoted net asset value of each fund. The total value is calculated by multiplying the net asset value per share by the number of shares held as of the measurement date.

(E) The fair value of the wrapper contracts in the Stable Value Fund is determined by using a replacement cost methodology, which calculates the present value of excess future wrap fees. The underlying assets of the wrapper contracts (units of collective trust funds holding fixed income bonds) are calculated at the net unit value multiplied by the number of units held as of the measurement date.

(F) Investments in the Balanced Real Assets Fund are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

(G) Investments in target retirement date funds are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

The Master Trust assets, measured at fair value on a recurring basis (at least annually) as of December 31, 2012, were as follows (in thousands):

Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
---	--	-------

Edgar Filing: COCA COLA CO - Form 11-K

U.S. equity securities:				
Collective trust funds (A)	\$		\$ 364,214	\$ 364,214
Mutual funds (B)		524,108		524,108
Common stock (C)		1,084,836		1,084,836
International equity securities:				
Mutual funds (B)		163,391		163,391
Fixed income securities:				
Collective trust funds (A)			121,296	121,296
Mutual funds (B)		108,398		108,398
Money market funds:				
Mutual funds (B)		22,064		22,064
Other:				
Stable Value Fund (D)			352,467	352,467
Target retirement date funds (E)			1,129,923	1,129,923
	\$	1,902,797	\$ 1,967,900	\$ 3,870,697

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)

(A) The underlying investments held in the collective trust funds are actively managed fixed income and equity investment vehicles that are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

(B) Investments in mutual funds are valued at the publicly quoted net asset value of each fund. The total value is calculated by multiplying the net asset value per share by the number of shares held as of the measurement date.

(C) Investments in common stock are in shares of The Coca-Cola Company and are valued using quoted market prices multiplied by the number of shares owned as of the measurement date.

(D) The fair value of the wrapper contracts in the Stable Value Fund is determined by using a replacement cost methodology, which calculates the present value of excess future wrap fees. The underlying assets of the wrapper contracts (units of collective trust funds holding fixed income bonds) are calculated at the net unit value multiplied by the number of units held as of the measurement date.

(E) Investments in target retirement date funds are valued at the net asset value per share multiplied by the number of shares held as of the measurement date.

During 2013 and 2012 there were no Level 3 investments.

Stable Value Fund

The Stable Value Fund (the Fund) is a separate account which invests primarily in wrapper contracts (also known as synthetic guaranteed investment contracts) and cash equivalents. Contracts within the Fund are fully benefit-responsive and are therefore reported at fair value on the Statements of Net Assets Available for Benefits.

Edgar Filing: COCA COLA CO - Form 11-K

In a wrapper contract structure, the underlying investments are owned by the Fund and held in trust for Plan participants. These contracts wrap a diversified portfolio primarily comprised of corporate and government bonds, and collective trust funds. The Fund purchases a wrapper contract from an insurance company or bank. The wrapper contract amortizes the realized and unrealized gains and losses on the underlying fixed income investments, typically over the duration of the investments, through adjustments to the future interest crediting rate (which is the rate earned by participants in the Fund for the underlying investments). The issuer of the wrapper contract provides assurance that the adjustments to the interest crediting rate do not result in a future crediting rate that is less than zero.

An interest crediting rate less than zero would result in a loss of principal or accrued interest. Wrapper contracts' interest crediting rates are typically reset on a periodic basis.

The key factors that influence future interest crediting rates for a wrapper contract include:

- The level of market interest rates;
- The amount and timing of participant contributions, transfers and withdrawals into/out of the wrapper contract;

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)

- The investment returns generated by the fixed income investments that back the wrapper contract; and
- The duration of the underlying investments backing the wrapper contract.

Because changes in market interest rates affect the yield to maturity and the market value of the underlying investments, they may have a material impact on the wrapper contract's interest crediting rate. In addition, participant withdrawals and transfers from the Fund are paid at contract value but funded through the market value liquidation of the underlying investments, which also impacts the interest crediting rate. The resulting gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Plan's Statements of Net Assets Available for Benefits as the Adjustment from fair value to contract value for fully benefit-responsive investment contracts.

If the adjustment from fair value to contract value is positive for a given contract, this indicates that the wrapper contract value is greater than the market value of the underlying investments. The embedded market value losses will be amortized in the future through a lower interest crediting rate than would otherwise be the case. If the adjustment from fair value to contract value figure is negative, this indicates that the wrapper contract value is less than the market value of the underlying investments. The amortization of the embedded market value gains will cause the future interest crediting rate to be higher than it otherwise would have been.

All wrapper contracts provide for a minimum interest crediting rate of zero percent. In the event that the interest crediting rate should fall to zero and the requirements of the wrapper contract are satisfied, the wrapper issuers will pay to the Plan the shortfall needed to maintain the interest crediting rate at zero. This helps to ensure that participants' principal and accrued interest will be protected.

Examples of events that would permit a wrapper contract issuer to terminate a wrapper contract upon short notice include the Plan's loss of its qualified status, uncured material breaches of responsibilities, or material and adverse changes to the provisions of the Plan. If one of these events was to occur, the wrapper contract issuer could terminate the wrapper contract at the market value of the underlying investments.

At December 31, 2013, fair value exceeded contract value. Contract value represents contributions made under the contracts, plus earnings, less withdrawals and administrative expenses. The weighted-average yield was approximately 1.4% and 1.1% for the years ended December 31, 2013 and 2012, respectively. The interest crediting rate was approximately 1.8% and 2.3% as of December 31, 2013 and 2012, respectively. Participants investing in the Fund are subject to risk of default by issuers of the wrapper contracts and the specific investments underlying the wrapper contracts. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

Table of Contents**THE COCA-COLA COMPANY 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)**

The fair values of the underlying assets of the wrapper contracts and the adjustment to contract value for the Master Trust as of December 31, 2013 and 2012 were as follows:

	2013	2012
Fair value of the underlying assets of the wrapper contracts (in thousands):		
Short-term investment fund	\$ 16,254	\$ 15,273
Pooled Separate Accounts	59,608	
Collective trust funds	302,852	337,194
Fair value	378,714	352,467
Adjustment from fair value to contract value	(5,660)	(13,973)
Contract value	\$ 373,054	\$ 338,494

Master Trust Investment Funds

The U.S. Large Cap Active Equity Fund, U.S. Small-Mid Cap Active Equity Fund and U.S. Core-Plus Active Fixed Income Fund (the Master Trust Investment Funds) were added as investment options on November 1, 2013. These funds replaced eight existing mutual funds and collective trust funds as investment options. These investment options are only available through the Master Trust. These Master Trust Investment Funds are actively managed and utilize managers as specified by The Coca-Cola Company Assets Management Committee. The Master Trust Investment Funds are separate account investment options and only Plans currently participating in the Master Trust can invest in these funds.

[Table of Contents](#)**THE COCA-COLA COMPANY 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)**

The following table presents a summary of the net assets available for benefits of the Master Trust Investment Funds (in thousands):

	U.S. Large Cap Active Equity Fund	U.S. Small-Mid Cap Active Equity Fund	U.S. Core-Plus Active Fixed Income Fund	Total
Assets				
Short-term investment fund	\$ 23,537	\$ 9,225	\$ 64	\$ 32,826
Common stocks	277,774	238,473		516,247
Collective trust funds	14,522	10,707		25,229
Mutual funds			176,891	176,891
Accrued interest and dividends	323	126	3	452
Receivable from broker for securities sold		50		50
Total assets at fair value	316,156	258,581	176,958	751,695
Liabilities				
Accrued administrative fees	212	252	69	533
Payable to broker for securities purchased	416	1,879		2,295
Total liabilities at fair value	628	2,131	69	2,828
Net assets at fair value	\$ 315,528	\$ 256,450	\$ 176,889	\$ 748,867

The following is a summary of the net investment income (loss) in the Master Trust Investment Funds for the year ended December 31, 2013 (in thousands):

	U.S. Large Cap Active Equity Fund	U.S. Small-Mid Cap Active Equity Fund	U.S. Core-Plus Active Fixed Income Fund	Total
Net realized and unrealized appreciation (depreciation) in fair value of investments	\$ 12,444	\$ 8,173	\$ (3,392)	\$ 17,225
Interest and dividends	878	466	2,176	3,520
Administrative fees	(215)	(254)	(70)	(539)
Net investment income (loss)	\$ 13,107	\$ 8,385	\$ (1,286)	\$ 20,206

Table of Contents**THE COCA-COLA COMPANY 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)**

The following table presents the underlying asset and liability categories, excluding accrued interest, cash, and administrative fees, measured at fair value on a recurring basis of the Master Trust Investment Funds as of December 31, 2013 (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Assets:			
U.S. large cap equity securities (1)	\$ 277,774	\$	\$ 277,774
U.S. small-mid cap equity securities (1)	238,473		238,473
Collective trust funds:			
Short-term investment fund (2)		32,826	32,826
S&P 500 index fund (3)		14,522	14,522
Extended Equity Market Index Fund (4)		10,707	10,707
Mutual funds (5)		176,891	176,891
Due from broker for securities sold	50		50
Total assets, at fair value	\$ 516,297	\$ 234,946	\$ 751,243
Liabilities:			
Payable to broker for securities purchased	2,295		2,295
Total liabilities, at fair value	\$ 2,295	\$	\$ 2,295

(1) The fair value of equity securities is at the last available reported sales price or official closing price as reported by a third party pricing vendor on the national exchanges.

(2) The short-term investment fund consists of high-grade money market instruments with short maturities. Interest is accrued daily and distributed monthly. The fair value of this fund is based on cost plus accrued interest.

(3) The S&P 500 index fund seeks to approximate the risk and return characteristics of the S&P 500 index. This index is commonly used to represent the large cap segment of the U.S. equity market. The fair value is based on a net asset value per share multiplied by the number of shares held as of the measurement date.

(4) The Extended Equity Market Index Fund seeks to approximate the risk and return characteristics of the Dow Jones U.S. Completion Total Stock Market Index. This index is commonly used to represent the small- and mid-cap segments of the U.S. equity markets. The fair value is based on a net asset value per share multiplied by the number of shares held as of the measurement date.

(5) Investments in mutual funds consist of actively managed PIMCO Funds across the mortgage-backed security, U.S. Treasury, and corporate fixed income sectors. The funds are only available to institutional separate account entities and are registered under the Investment

Edgar Filing: COCA COLA CO - Form 11-K

Company Act of 1940, as an open-end investment management company and are not publicly traded. The fair value is based on a net asset value per share multiplied by the number of shares held as of the measurement date.

Table of Contents**THE COCA-COLA COMPANY 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****Note 3 The Coca-Cola Company Master Trust for 401(k) Plans (Continued)***Transactions with Parties-in-Interest*

During the year ended December 31, 2013, the Master Trust had the following transactions relating to common stock of The Coca-Cola Company (in thousands):

	Shares		Fair Value
Purchases	4,237	\$	167,686
Sales	2,763	\$	110,287
In-kind distributions	1,014	\$	40,423
Dividends received	N/A	\$	33,698

The Master Trust held the following investments in common stock of The Coca-Cola Company as of December 31, 2013 and 2012 (in thousands):

	Shares		Fair Value
December 31, 2013	30,386	\$	1,255,238
December 31, 2012	29,926	\$	1,084,836

Note 4 Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect Participant account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Note 5 Income Tax Status

Edgar Filing: COCA COLA CO - Form 11-K

The Plan has received a determination letter from the Internal Revenue Service dated September 13, 2013, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. The Plan was amended subsequent to receipt of the determination letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Committee and the Company's tax counsel believe the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believe the Plan, as amended, is qualified and the related trust is tax exempt.

U.S. generally accepted accounting principles require Plan management to evaluate tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there were no

Table of Contents**THE COCA-COLA COMPANY 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****Note 5 Income Tax Status (Continued)**

uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

Note 6 Subsequent Events

Plan management has evaluated material events and transactions that have occurred after December 31, 2013 and concluded that no subsequent events have occurred through June 30, 2014, the date the financial statements were issued, that require adjustment to or disclosure in these financial statements.

Note 7 Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2013 and 2012:

	2013	2012
Net assets available for benefits per the financial statements	\$ 4,587,085,067	\$ 3,898,290,756
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	5,377,687	13,227,767
Net assets available for benefits per Form 5500	\$ 4,592,462,754	\$ 3,911,518,523

The following is a reconciliation of investment income from the Master Trust per the financial statements to the Form 5500 for the year ended December 31, 2013:

Investment income from the Master Trust per the financial statements	\$ 700,167,097
Adjustment from contract to fair value for fully benefit-responsive investment contracts:	
Current year	5,377,687
Prior year	(13,227,767)
Less: Administrative expenses reported at Master Trust level	(2,041,570)

Edgar Filing: COCA COLA CO - Form 11-K

Investment income from Master Trust per Form 5500

\$ 690,275,447

Table of Contents

THE COCA-COLA COMPANY 401(k) PLAN

EIN: 58-0628465 PN: 002

Schedule H, line 4i Schedule of Assets (Held at End of Year)

December 31, 2013

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current value
PARTICIPANT LOANS:			
*	Participants	Loans with interest rates ranging from 3.25% to 10.25%. Maturities through 2028.	\$ 149,538,371
*	Parties-in-interest		

Note: Column (d) cost is not required for participant-directed investments.

Table of Contents

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, The Coca-Cola Company Benefits Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE COCA-COLA COMPANY 401(k) PLAN
(Name of Plan)

By:

/s/ Melody Hanna
Melody Hanna
Chairperson, The Coca-Cola Company Benefits
Committee

Date: June 30, 2014

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description
23	Consent of Independent Registered Public Accounting Firm
